

## Maryjane Kenney

---

**From:** Walter Foster (office)  
**Sent:** Sunday, April 08, 2007 12:09 PM  
**To:** Board of Selectmen; Finance Committee; Acton Public School Committee  
**Subject:** FW: Email re: effect of recent c. 70 funding reductions  
**Attachments:** Proposed Additional School Spending.xls

To BoS:

I am forwarding some additional information that will be discussed at our 6:00 pm meeting just prior to town meeting tomorrow concerning the recent lowering of c. 70 aid to Acton and its effect on the budgets. I will also be forwarding a spreadsheet that attempts to look at the future years impact of the various budget issues. These will be discussed at our meeting regarding the vote to be taken on the School amended budgets. Thank you for your attention to these issues and we will see you at the meeting tomorrow evening.

Walter

Walter M. Foster  
Sheehan, Phinney, Bass + Green, PA  
One Boston Place, 38th Floor  
Boston, MA 02108-4404  
T: 617 897 5646  
F: 617 439 9363  
[wfoster@sheehan.com](mailto:wfoster@sheehan.com)

**Sheehan, Phinney, Bass + Green, PA**  
A Regional Business Law Firm.  
Innovative Approaches. Practical Solutions.

### Statement of Confidentiality

*This electronic mail transmission is privileged and confidential and is intended only for the review of the party to whom it is addressed. If you have received this transmission in error, please notify the sender immediately by reply e-mail and delete the transmission. Unintended transmission shall not constitute waiver of the attorney-client or any other privilege.*

---

**From:** Don Johnson [<mailto:djohnson@acton-ma.gov>]  
**Sent:** Saturday, April 07, 2007 12:53 AM  
**To:** Walter M. Foster; John Murray  
**Subject:** RE: Email re: effect of recent c. 70 funding reductions

Walter:

Attached is the Fincom spreadsheet, adjusted for the Legislature's reductions to House 1. We have made several other format adjustments to make it read more clearly. There are some interesting observations that I would bring to your attention:

4/9/2007

1. First, please note the line for "Net Increase" in the anticipated aid. At the Region, the new net increase is only \$262,878. The proposed expenditures by the Region are shown as \$265,373. This expenditure is actually \$2,495 more than the Region will be receiving (so they start with a deficit to their numbers) but more importantly, this deficit exists before they propose to use \$155,000 to reduce the E&D contribution. In reality, given the Legislature's reduction in these numbers, there is not enough additional money coming to the Region to fund the additional proposed spending, and the proposed E&D buy-down, without using the entire balance of the Chapter 70 money dedicated to the Acton Elementary Schools to make up the Regional deficit. Even then, the \$115,825 "net position before Town Distribution" shown on the chart is \$7,683 short of the amount necessary to balance the Region's deficit!
2. Now, turning to the split question, you will note that if the schools spend the gross amount of \$785,035, the net amount of Acton spending would be \$727,768. The Acton Municipal share, at 31.25%, would be \$227,427. This does not account for the \$155,000 gross (\$121,551 for Acton's share) amount that is proposed to be used to offset the E&D that was originally negotiated to be used as a quid-pro-quo for the additional Free Cash that the Town was asked to put into the plan. If that additional \$121,551 were included in the computation (as I believe it should be) the Acton Municipal share grows to \$265,412 as shown on the chart. (See the adjusted number of \$103,018 on the chart and the accompanying note at the bottom of the chart.)
3. If all of the originally proposed distributions were to take place (additional school spending, E&D reductions and municipal share distribution) we would expend \$273,095 more than the total increase in aid proposed by the Legislature.
4. Clearly, if the schools carry through with their spending proposal there will be no money for the Municipal share. The only way the Municipal share could be available for a Fall Town Meeting would be for the schools to appropriate less at the Annual Town Meeting.

It would be my sincere hope that the resolution to this issue at Town Meeting does not lead to further misunderstandings at next year's ALG, such as we experienced this year.

Regards,  
Don

---

**From:** Walter Foster (office)  
**Sent:** Friday, April 06, 2007 3:34 PM  
**To:** John Murray; Don Johnson  
**Subject:** Email re: effect of recent c. 70 funding reductions

John - Could you please forward to me an email with the spreadsheet you were working on the other night concerning the effect of the reduction of the governor's budget of c. 70 monies to Acton? In particular, I will be forwarding that email to the BoS and FinCom concerning the fact that only \$115K remains which is not sufficient to fund Acton's 31.25% share of the additional school expenditures of approx. \$780,000 in this year's FY08 budget plan. I think it important that our board know and understand that although the new numbers still "permit" expenditures of the schools proposed \$780,000, that if our board wants to appropriate its share (approx. 200K ) this fall that only \$115,000 could be appropriated out of the FY '08 plan. Other changes would have to occur in FY'09. Please on the face of the email make this point so that the Board understands the impact of the schools proposal if it remains unchanged from what they had previously voted. Thanks. I'd like to get that out to everyone today and I will forward to School committee as well.

Walter

Walter M. Foster  
Sheehan, Phinney, Bass + Green, PA  
One Boston Place, 38th Floor  
Boston, MA 02108-4404  
T: 617 897 5646

4/9/2007

F: 617 439 9363  
[wfoster@sheehan.com](mailto:wfoster@sheehan.com)

**Sheehan, Phinney, Bass + Green, PA**  
A Regional Business Law Firm.  
Innovative Approaches. Practical Solutions.

**Statement of Confidentiality**

*This electronic mail transmission is privileged and confidential and is intended only for the review of the party to whom it is addressed. If you have received this transmission in error, please notify the sender immediately by reply e-mail and delete the transmission. Unintended transmission shall not constitute waiver of the attorney-client or any other privilege.*

**Changes Proposed:**

	<u>APS</u>	<u>AB *</u>	78.42% <u>AB-Acton</u>	<u>Total Acton only</u>
Increase in Gov's Budget	\$920,149	\$602,237	\$472,274	\$1,392,423
Legislative Changes per the Globe/DoR	(\$284,662)	(\$339,359)	(\$266,125)	(\$550,787)
<b>Net Increase</b>	<b>\$635,487</b>	<b>\$262,878</b>	<b>\$206,149</b>	<b>\$841,636</b>
<b>Proposed School spending</b>	<b>(\$519,662)</b>	<b>(\$265,373)</b>	<b>(\$208,106)</b>	<b>(\$727,768)</b>
<b>Sub-total, net position before Proposed E&amp;D Buy-down and Town Distribution</b>	<b>\$115,825</b>	<b>(\$2,495)</b>	<b>(\$1,957)</b>	<b>\$113,868</b>
<b>Ch. 70 used to lower E&amp;D</b>		<b>(\$155,000)</b>	<b>(\$121,551)</b>	<b>(\$121,551)</b>
<b>Sub-total, net position before Town Distribution</b>	<b>\$115,825</b>	<b>(\$157,495)</b>	<b>(\$123,508)</b>	<b>(\$7,683)</b>
<b>Town share (on Acton spending) to be allocated in FY 09 above and beyond any allocation of FY '09 revenues</b>	<b>(\$162,394)</b>	<b>(\$131,367)</b>	<b>(\$103,018)</b>	<b>(\$265,412)</b>
<b>Remainder to free cash</b>	<b>(\$46,569)</b>	<b>(\$288,862)</b>	<b>(\$226,525)</b>	<b>(\$273,095)</b>

If one were to assume the Town should receive 31.25% of the monies used to reduce the consumption of E&D as well as the additional monies expended by the School Committee, the Town's match would grow to the amount noted.